



For Immediate Release
December 6, 2007

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**Floor Remarks of Senator Max Baucus (D-Mont.)
Regarding the Alternative Minimum Tax
(as prepared)**

In the 1931 film classic *Frankenstein*, the character Dr. Waldman tells Dr. Frankenstein: "You have created a monster, and it will destroy you."

That's how the AMT looks to the tax code. It's a monster. It's a thing of dread for many Americans. And unless we act, it will destroy the entire tax system.

This tax is a problem for taxpayers in all 50 states. Let me give you a few numbers, if we don't extend the AMT patch.

The number of Texans subject to AMT would increase from roughly 150,000 to 870,000.

The number Nevadans subject to AMT would increase from about 15,000 to almost 100,000.

The number of South Carolinians would increase from 30,000 to 190,000.

Even taxpayers who don't pay the tax are burdened because you have to calculate your regular tax and then you have to calculate your alternative minimum tax just to figure out which one you have to pay.

Calculating taxes once is scary enough. Calculating taxes twice is almost enough to destroy a person.

It can also cause significant financial hardship. In today's economy, families depend on that refund check.

Think of the taxpayers who think they are getting a tax refund from the federal government. But then they get the letter in the mail telling them that they have to pay more taxes because of the AMT. Talk about your horror story!

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I'll give a very simple example of how the AMT hits hard working American families. Take a married couple with four young kids who have \$75,000 in income. Their regular income tax would be \$1,803. This is after the standard deduction and the child tax credit.

The AMT more than doubles this family's tax liability. The AMT raises their tax from \$1,803 to \$3,800.

The AMT hits this family, not because they're rich, but because they have four children.

A delay in AMT will cost taxpayers because it costs the federal government. A delay will create delayed tax return filings. And last minute legislation will delay the issuance of federal refunds.

For example, if the IRS has to postpone accepting returns in the early part of the filing season — say, January 28 — this would delay the receipt of more than 6½ million returns. It would delay the issuing of more than 5½ million refunds totaling more than \$17 billion.

And a delay in fixing the AMT affects the states. Many state tax systems are tied to the Federal tax system.

A delay here in the Senate will mean not only a delay in federal tax refunds, but also a delay in State tax refunds.

A delay will also mean the states that already are financially strapped could have a cash-crunch. Their normal flow of tax revenues will not be coming in.

At a time when families are experiencing hardship, the other side of the aisle is playing politics.

It's not the time to play politics. It's a time to get things done.

In the 1945 B movie, House of Dracula, the character Dr. Edelman says of Frankenstein's monster: "He's indestructible. Frankenstein's creation is man's challenge to the laws of life and death."

Let us once and for all prevent that from being said about the AMT. Let us prove that the AMT is not indestructible. Let us move to proceed to the House bill and stop this tax monster.

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